



Auditor of Public Accounts
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Edelen Releases Audit of Menifee County Sheriff's Office

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2011 financial statement of Menifee County Sheriff Rodney Coffey. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the sheriff's financial statement presents fairly the revenues, expenditures, and excess fees of the Menifee County sheriff in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comments:

The Sheriff's quarterly reports did not agree with receipts and disbursements ledgers. The Sheriff uses a bookkeeping service to maintain receipts and disbursements ledgers, prepare payroll, and reconcile the bank account. However, the receipts and disbursements ledgers maintained did not agree with the quarterly financial reports that the Sheriff submitted to the Department for Local Government (DLG). The Uniform System of Accounts, adopted under KRS 68.210, requires the Sheriff to maintain accurate receipts and disbursements ledgers. We had to make numerous adjustments to receipts and disbursements, including payroll items. Receipts should be posted consistently with the categories on the quarterly financial reports. Salaries should be posted as gross wages and should be separate from employee benefits paid by the employer, such as FICA, retirement, and health insurance. We recommend the Sheriff ensure receipts and disbursements are properly posted and agree with the quarterly reports submitted to DLG.

Sheriff's response: Will work with the bookkeepers office to have better control in attempt to have the receipts and ledgers match.

The Sheriff should ensure that expenditures are paid from the appropriate account. The Sheriff engaged in the practice of expending funds between multiple accounts in order to cover operating expenses of his office. Our examination of disbursements found that, \$4,629 was expended from the 2011 Fee Account to cover the remaining balance owed for his 2010 State Advancement. KRS 134.160(5) states, "Other than for investments and expenditures permitted by this Chapter, the Sheriff shall not apply or use any money received by him for any purpose other than that for which the money was paid or collected." We recommend that the Sheriff deposit personal funds of \$4,629 to cover this expenditure and in future refrain from disbursing funds from one calendar year fee account to cover operating expenses of a different calendar year.

Sheriff's response: At the end of 2010 the Sheriffs office did not receive as much income as previously expected which caused a deficit of roughly \$14,000 in repaying the state advancement for the year. A plan was to not burden the fiscal court with repaying this. My office, the state fee office, the fiscal court and the auditors office to carry the state advancement over and make cuts in the approved 2011 budget to attempt to pay back the state advancement from 2010. Although the fiscal court was made aware and agreed to do this, I was unaware that it needed to be voted on and approved by the fiscal court. After communicating with the auditors on this current audit, I followed the recommendation of the state auditor's office and went to the fiscal court on December 11, 2012 and had the approval. In the fiscal court meeting a motion was made to approve and allow the sheriff to use excess fees of \$4,629 from 2011 fee account and \$9,000 from the 2012 fee account to pay off the 2010 state advancement. The \$748 remaining the 2011 fee account will be paid to fiscal court in excess fees.

The Sheriff's office lacks adequate segregation of duties over receipts. The Sheriff's office lacks adequate segregation of duties over receipts. The employee who collects cash receipts also prepares the daily checkout sheet and the deposit slip. The same employee also takes the deposit to the bank. Good internal controls dictate that different individuals should perform these duties. If these duties cannot be segregated, the Sheriff should implement compensating controls. The Sheriff could review the deposit, and compare it to the daily checkout sheet and receipts ledger as a compensating control. This procedure needs to be documented by the Sheriff initialing the checkout sheet, receipts ledger, and deposit slip.

Sheriff's response: Sheriff's office does not have a budget for hiring additional office staff to meet the Auditor's requirements.

Auditor's reply: The above compensating controls recommended may be performed without additional staff or funds.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The audit report can be found on the [auditor's website](#).

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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